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GOVERNMENT OF MANIPUR
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NOTIFICATION

Imphal, the 23rd July, 2013

No. 2/38/2013-Leg/L : The following Act of the Legislature, Manipur which received assent of the Governor of Manipur on 22nd July, 2013 is hereby published in the Official Gazette :

THE MANIPUR CO-OPERATIVE SOCIETIES (FIFTH AMENDMENT) ACT, 2013 (MANIPUR ACT NO. 9 OF 2013)

AN
ACT

further to amend the Manipur Co-operative Societies Act, 1976 (Manipur Act No. 14 of 1976)

Be it enacted by the Legislature of Manipur in the Sixty Fourth year of the Republic of India as follows:

1. **Short title and commencement.** (1) This Act may be called the Manipur Co-operative Societies (Fifth Amendment) Act, 2013.

(2) It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

2. **Amendment of section 2. -** In section 2 of the Manipur Co-operative Societies Act, 1976 (hereinafter referred to as the Principal Act) –

(i) in clause (1a), for the words "a co-operative society", the words "a State level co-operative society" shall be substituted;

(ii) after clause (3), the following clause (3A) shall be inserted, namely, –

"(3A). "Board" means the board of directors or the governing body of a co-operative society, by whatever name called, to which the direction and control of the management of the affairs of a society is entrusted to;";

(iii) in clause (11), for the words and figures "30th day of June", the words and figures "31st day of March" shall be substituted;

(iv) after clause (20b), a new clause (20c) shall be inserted, namely, –

"(20c) "Multi State Co-operative Society" means a co-operative society with objects not confined to one State and registered or deemed to be registered under any law for the time being in force relating to such co-operatives;";

(v) for clause (21), the following shall be substituted, namely, –
"(21) "Officer" means a person appointed by a co-operative society to any office of such society according to its bye-law;";

(vi) after clause (21), the following new clause (21A) shall be inserted, namely, –

"(21A). "Office bearer" means a President, Vice-President, Chairperson, Vice-Chairperson, Secretary or Treasurer of a co-operative society and includes any other person to be elected by the board of any co-operative society;";

3. Insertion of new section 32 A. – After section 32 of the Principal Act, the following new section 32A shall be inserted, namely, -

"32 A. Education and training to the members.- Manipur State Co-operative Union shall provide co-operative education and training to the members of co-operative societies in the State;";

4. Amendment of section 73,– In section 73 of the Principal Act, (i) for sub-section (2), the following shall be substituted, namely, -

"The term of office of the elected members of the board and its office bearers shall be five years from the date of election and the term of the office bearers shall be co-terminous with the term of the board. No member shall hold office of the director or governing body beyond three terms consecutively.

Provided that if the term of the Board is superseded or dissolved it shall be taken that the Board held its full term. This shall apply to elected Boards only.

Provided further that the period of management of the nominated Board, or Administrator or Board of Administrators as the case may be under this Act shall not be counted as a term."

(ii) for sub-section (3), the following shall be substituted, namely, -

(3)(1) "The election of a Board of a co-operative society shall be conducted before one month of the expiry of the term of the Board so as to ensure that the newly elected members of the Board assume office immediately on the expiry of the office of members of the outgoing Board".

(2) "The superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to Cooperative Societies, shall vest to the Registrar of Co-operative Societies.

Provided that the procedures and the guidelines for conduct of such elections shall be prescribed by the State Government.

5. Amendment of section 73 A. - In section 73A of the Principal Act, -

(i) for sub-section (1), the following shall be substituted, namely, -

"(1) The Board of a co-operative society shall be constituted with such number as may be specified by rules and bye-laws of the society;

Provided that the maximum number of Directors of the Board shall not exceed twenty one;

Provided further that one seat for scheduled castes or scheduled tribes, and two seats for women and one seat for small farmers shall be reserved in the Board of a co-operative society consisting of individuals as members and having members from such class or category of members;

Provided also that the Board may fill a casual vacancy on the Board by nomination out of the same class of members in respect of which the casual vacancy had arisen if the term of the Board is less than half of its original term.

Provided also that the representatives of the employees and workers of the co-operative society be included in the Board as may be provided by the rules and bye-laws of such society.".

(ii) For clause (a) of sub-section (1B), the following shall be substituted, namely -

(a) "Persons having experience in the field of banking, management, finance or specialization in any other field related to the objects and activities undertaken by the

co-operative society may be co-opted as members of the Board upto a maximum of two in addition to the number of Boards specified in the bye-law;

Provided that such co-opted professional members of the Board besides the normal number of the Board, shall have no right to vote in any election of the co-operative society in their capacity as such members or to be eligible to be elected as office bearers of the Board;

Provided also that the functional directors of a co-operative society shall also be the members of the Board and such members shall be excluded for the purpose of counting the total number of Directors specified in section 73 A (1).".

6. Amendment of section 75. - In section 75 of the Principal Act, (i) For sub-section (1), the following shall be substituted, namely,-

"(1) Every co-operative society shall, within a period of six months of the close of financial year, call an annual general meeting of its members;

Provided that if in the opinion of the Registrar such meeting is not called by the society within the period specified, the Registrar or any person authorised by him may call such meeting in the manner prescribed, and that meeting shall be deemed to be a general meeting duly called by the society.";

(ii) in sub-section (5), the words "or, as the case may be, the extended period", shall be deleted;

(iii) after sub-section (7) of section 75, the following new sub-section (8) shall be inserted, namely -

"(8). Every member of a co-operative society shall attend at every general body meeting of the society where he is a member and if fails to attend consecutively at least two general body meetings of the society he shall automatically cease to be a member of the society.".

7. Amendment of section 78. - for sub-section (1) of section 78 of the Principal Act, the following shall be substituted, namely, –

(1) "If in the opinion of the Registrar, the Board of any co-operative society,

(i) persistently makes default or is negligent in the performance of duty imposed on it; or

(ii) willfully disobeys directions issued by the Registrar for the purposes of securing proper implementation of the co-operative production and the development programmes approved or undertaken by the Government; or

(iii) commits any act which is prejudicial in the interest of the society or its members; or

(iv) there is stalemate in the constitution or functioning of the society; or

(v) has failed to conduct elections in accordance with the provisions of the Act, the Rules and the bye-laws; or

(vi) is otherwise not functioning properly,

the Registrar may after giving the Board an opportunity of hearing within fifteen days from the date of issue of notice, by order in writing, remove the Board or keep under suspension, and appoint one or more administrators who need not be members of the society to manage the affairs of the society;

Provided that no Board shall be superseded or kept under suspension for a period not exceeding six months however for a co-operative society carrying on the business of banking for a period not exceeding one year;

Provided further that the Board of Directors of a co-operative society shall not be superseded or kept under suspension where there is no Government shareholding or loan or financial assistance or any guarantee by the Government;

Provided also that in the case of a co-operative society carrying on the business of banking, the provisions of the Banking Regulation Act, 1949 shall also apply.".

8. Amendment of Section 78A(1).- In sub-section (1) of section 78(A)(1) of the Principal Act,

(i) for the figures and the words "12 months at a time and three years in the whole" shall be substituted by the words "six months";

(ii) in the first proviso, for the words "three years", the words "six months" shall be sustituted.

9. Insertion of new section 79 A.- After section 79, of the Principal Act, a new section 79 A shall be inserted, namely, –

"**79A. Filing of annual report, audited statements etc.**- Every co-operative society shall submit return within six months of the close of every financial year to the Registrar Co-operative Societies, Manipur including the following matters viz –

(a) annual report of its activities ;

(b) audited statement of accounts including the profit and loss account and the balance sheets as on 31st March of the previous financial year;

(c) plans for surplus disposal as approved by the general body of the co-operative society;

(d) lists of amendments to the bye-laws of the co-operative society, if any;

(e) declarations regarding date of holding of its general body meeting and conduct of elections when due;

(f) budget estimation of the next year;

(g) any other information required by the Registrar in pursuance of any of the provisions of the Act.".

10. Amendment of section 81.- for the sub-section (1) of section 81 of the Principal Act, the following shall be substituted, namely, –

"(1) The Registrar shall audit or cause to be audited by a person authorized by him or by a certified Auditor or a Chartered Accountant by general or special order in writing in this behalf the accounts related to the previous year of every co-operative society at least once in a year within six months of the close of the co-operative year.

Provided that the general body of the co-operative society shall appoint the auditor from the panel approved by the Registrar.

Provided further that the audit report of the accounts of an apex co-operative society shall be laid before the State Legislature.".

11. Amendment of section 146. - In section 146 of the Principal Act, after clause (q), the following clauses shall be inserted, namely, –

"(r) whoever, before, during or after the election of members of the Board or office Bearers, adopts any corrupt practice.

(s) any employee, who, without sufficient cause, fails to pay to the co-operative society amounts deducted by him from its employees within a period of 14 (fourteen) days on which such deduction is made;

(t) any person willfully or without any reasonable excuse disobeys any summon requisition or lawfully written order issued under provisions of the Act.".

12. Amendment of section 147.- In section 147 of the Principal Act,

(i) the amount of fine specified in –

(a) Clauses (b), (c), (d), (g), (h), (i), (j), (m) shall be substituted by the words "two thousand rupees respectively.

(b) Clauses (f), (l), (q) shall be substituted by one thousand rupees respectively and

(c) Clauses (k) and (n) by two thousand five hundred rupees respectively".;

(ii) after clause (q), the following new clauses shall be added, namely, -
"(r) if it is an offence under clause (r) of section 146, with a fine which may extend to two thousand rupees;

(s) if it is an offence under clause (s) of section 146 of the Act, with a fine which may extend to one thousand rupees besides recovering the amounts deducted by him ;

(t) if it is an offence under clause (t) of section 146, with a fine which may extend to two thousand rupees.".

TH. KAMINI KUMAR SINGH,
Joint Secretary (Law), Government of Manipur.

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